

## CHAPTER 4: REPORT – BUDGET AND TREASURY

### 4.1 THE AUDITED FINANCIAL STATEMENTS

#### CAMDEBOO MUNICIPALITY FINANCIAL STATEMENTS 2008/09

##### PREFACE BY THE MAYOR

The purpose of financial statement is to provide information about the financial position, performance and changes in the financial position of the local authority in a manner which demonstrates accountability and which is useful to the local community, government departments, investors, employees, trade creditors, the media and economic and financial analysis in making economic, financial or political decisions.

It is therefore an honour and privilege to introduce the financial statements of the 2008/2009 financial year.

Thank you very much for every staff member, every community member and every councillor who contributed to these achievements.

##### SUMMARY OF FINANCIAL RESULTS 2008/2009

The financial results of the year under review can be summarised as follows:

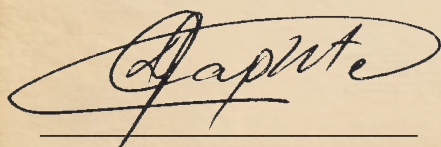
	Income	Expenditure	Surplus(deficit)
Budget			
2008/2009	R 72,654,801	R 91,371,648	R -18,716,847
Actual			
2008/2009	R 80,139,945	R 83,193,656	R -3,053,711

The result achieved on the capital budget is as follows:

Budget expenditure	R 20,877,000
Actual expenditure	R 21,436,589
Nett Result	R -559,589

Comprehensive comments will be included in the annual report.

I would like to express my appreciation to the Councillors, Municipal Manager, Chief Financial Officer, Managers and Personnel for their support and hard work during the past financial year.



DAANTJIE JAPHTA  
MAYOR



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## CAMDEBOO MUNICIPALITY GENERAL INFORMATION FOR THE YEAR ENDED 30/06/2009

### VISION

Camdeboo Municipality strives to ensure the development and participation of all its inhabitants within an economically viable and sustainable environment, where equal opportunities are promoted.

Poverty is uprooted and services provided at an affordable cost within a crime free, healthy, environmentally friendly and well managed administration.

### GRADING OF LOCAL AUTHORITY

Grade 7

### AUDITORS

Auditor General

### BANKERS

First National Bank

### REGISTERED OFFICE

Church Square	PO Box 71	Tel. (049) 8922121
Graaff-Reinet	Graaff-Reinet	Fax (049) 8924319
6280	6280	

### MUNICIPAL MANAGER

M G Langbooi

### CHIEF FINANCIAL OFFICER

J Joubert



## MEMBERS OF THE COUNCIL

Mayor and Speaker	Councillor	D Japhta
Ward 1	Councillor	V G Jacobs
Ward 2	Councillor	A R Knott-Craig
Ward 3	Councillor	K Hoffman
Ward 4	Councillor	C R E Abels
Ward 5	Councillor	I Reid
Ward 6	Councillor	A Booysen

## Proportional Councillors

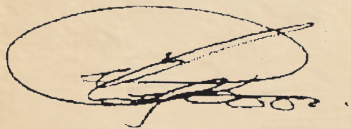
ANC	Councillor	D Japhta
ANC	Councillor	M Jacobs

Democratic Alliance	Councillor	M Block
ANC	Councillor	S J Mbotya
Democratic Alliance	Councillor	T J Eksteen

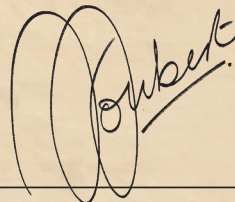
## CAMDEBOO MUNICIPALITY GENERAL INFORMATION FOR THE YEAR ENDED 30/06/2009

### APPROVAL OF THE FINANCIAL STATEMENTS

The Annual financial statements set out on pages 1 to 27 were approved by the Municipal Manager /Accounting Officer on 28 August 2009.



Municipal Manager  
(M.G. Langbooi)  
(Accounting Officer)  
28-Aug-09



Chief Finance Officer  
(J Joubert)  
28-Aug-09



## REPORT OF THE ACCOUNTING OFFICER AS AT 30 JUNE 2009

### 1 OPERATING RESULTS

The Camdeboo Municipality represents the towns of Graaff-Reinet, Aberdeen, and Nieu-Bethesda. This set of Financial Statements includes the figures of all three units.

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results for the year ended 30 June 2009 are as follows:

INCOME	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Opening Surplus	5,715,150	6,653,066	16%
Operating income for the year	70,249,774	80,139,945	14%
	75,964,924	86,793,011	
EXPENDITURE			
Operating expenditure for the year	64,874,580	83,193,656	28%
Appropriations	4,437,278	2,964,953	-33%
Closing surplus	6,653,066	634,402	-90%
	75,964,924	86,793,011	

#### 1.1 Rate and General Services

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Income	40,362,888	42,533,144	5%
Expenditure	37,081,847	49,902,475	35%
Surplus (deficit)	3,281,041	-7,369,331	-325%
Surplus (deficit) as % of total income	8%	-17%	

#### 1.2 Trading Services

The following is a summary of the operating results of the Municipality's Trading services:

##### Electricity Service

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Income	22,127,048	28,256,146	28%
Expenditure	23,035,578	27,169,041	18%
Surplus (deficit)	-908,530	1,087,105	-220%
Surplus (deficit) as % of total income	-4%	4%	



### Water service

The "Free basic service" policy of Government is in place and all consumers received the first six kiloliters free of charge.

This policy is funded out of the council's Equitable share Fund.

In Aberdeen and Nieu-Bethesda all consumers are receiving the first ten kiloliters free of charge.

This is done in conjunction with Council policy of the previous Municipalities.

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Income	7,654,878	9,291,254	21%
Expenditure	4,597,069	5,929,117	29%
Surplus (deficit)	3,057,809	3,362,137	10%
Surplus (deficit) as % of total income	40%	36%	

### Concrete works

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %
Income	103,575	58,016	-44%
Expenditure	160,086	193,023	21%
Surplus (deficit)	-56,511	-135,007	139%
Surplus (deficit) as % of total income	-55%	-233%	

## 2 CAPITAL EXPENDITURE AND FINANCING

The expenditure on capital items during the year amounted to R21 436 589.

The Capital expenditure is 26.8% more than budgeted for and consists of the following:

	Actual 2009 R	Budget 2009 R	Actual 2008 R
Land and Buildings	297,393	5,281,000	1,831,497
Streets and bridges	6,623,090	4,378,000	4,261,150
Furniture & Fittings	3,154,528	988,000	759,057
Sewerage	2,387,607	125,000	539,104
Vehicles & Machinery	2,024,439	1,350,000	1,301,638
Tools	515,746	100,000	0
Electricity Services	4,745,918	5,160,000	3,363,359
Water Services	1,687,868	3,495,000	3,292,838
	21,436,589	20,877,000	15,348,643

Resources used to finance the capital expenditure were as follows:

	Actual 2009 R	Budget 2009 R	Actual 2008 R
Internal loans	14,270,202	21,044,656	8,508,635
Operating Income			55,358
Reserve funds			
Other	7,166,387	391,932	6784650
	21,436,589	21,436,589	15,348,643

Capital items, which represent mainly upgrading and maintenance were financed against the surplus account and not against loans.

This will result in savings to the loan charges in the coming years.



External loans outstanding on 30 June 2009 amounted to R171 139 (R171 139 in 2008) as set out in appendix B.

Investments and cash on hand at 30 June 2009 amounted to R 44 041 195 (R41 183 398 in 2008)

More information regarding loans cash on hand and investments are disclosed in the notes 4,10 and 11 and appendix B to the financial statements.

#### 4 FUNDS AND RESERVES

During the year under review the following contributions were made:

Contributions from Operating Account to:

Revolving Fund

597,946

597,946

More information regarding funds and reserves are disclosed in the notes (1 to 3) and appendix A to the financial statements.

#### 5 POST BALANCE SHEET EVENTS

No material post balance sheet events took place during the year under review.

#### 6 INTER AUTHORITY GRANT

An amount of R18 024 839 was received from Government during the 2008/2009 financial year.

An amount of R5 822 345 was used to assist the poor for the 2008/2009 financial year. This scheme will continue for the next financial year.

#### EXPRESSION OF APPRECIATION

I am grateful to the staff of the Finance Department for their loyalty and hard work during the past financial year.

Acknowledgement is given to the Finance staff for a job well done under extremely difficult circumstances.



MUNICIPAL MANAGER (MG LANGBOOI)  
(Accounting Officer)  
Camdeboo Municipality

28.08.2009

Date



## CAMDEBOO MUNICIPALITY

### ACCOUNTING POLICIES FOR THE YEAR ENDED 30/06/2009

#### 1 **Basis of presentation**

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition - January 1996)
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except as otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis:
  - \* Income is accrued when measurable and available through finance operations. Certain direct income is accrued when received, such as traffic fines and certain entrance fees.
  - \* Expenditure is accrued in the year it is incurred.

#### 2 **Consolidation**

The balance sheet includes the Rate and General Services, Housing service, Trading services and the different funds, reserves and provisions. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, electricity and water, which are treated as income and expenditure in the respective departments.

#### 3 **Fixed Assets**

- 3.1 Fixed assets are stated as historical cost while they are in existence and fit for use and are written off at the end of their estimated life as determined by the CFO.
- 3.2 All net proceeds from the sale of fixed property are credited to the Revolving Fund.
- 3.3 Capital assets are financed from different sources, including external loans, operating income and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest on internal advances is charged to the service concerned at the ruling interest rate determined by the Treasurer. All internal loans (advances) are only raised at year end (30 June). No interim interest is charged against services in the year that the internal loans are raised.

#### 4 **Inventory**

Inventory is valued at cost, determined on the weighted average basis, and reflected in the Balance sheet at historical cost.

#### 5 **Funds and reserves**

- 5.1 **Revolving Fund**

The municipal ordinance No. 20 of 1974, Section 75(1), requires a contribution to the fund of not less than seven and one-half per cent of the Rates income, which was levied in respect of the financial year immediately preceding the financial year for which such contributions is required to be made.
- 5.2 **Loan Redemption Fund**

The half-yearly redemption is paid into the Loan Redemption Fund and invested at a financial institution to enable full repayment of capital at the maturity date of the loan.
- 5.3 **Housing Development Fund**

This fund is maintained in terms of the Housing Act No.107 of 1997 and all income from housing operations is paid into this account.
- 5.4 **Dog Tax Account**

This fund is maintained in terms of Ordinance No. 19 of 1978 and all income from Dog licences are paid into this account. A monthly contribution is made out of this fund to the local S.P.C.A. to assist in their operating costs.



#### **5.5 Parking Area Development Fund**

This fund was established to provide parking area facilities in town to businesses, where needed.

#### **5.6 Insurance Fund**

A General Insurance fund is maintained to cover unforeseen claims and excess payments that may occur. Once the fund is large enough, contributions could be made to the operating insurance account to soften tariff increases.

#### **5.7 Reserves**

The Sewerage and Sanitation-, Electricity- and Water Tariff Stabilization reserves are maintained to soften future tariff increases.

Some special funds are held on behalf of the Provincial Department and contains special conditions to the use thereof.

All other reserves as set out in Appendix A are maintained to provide capital in future for replacement of capital charges when new assets are to be purchased. Contribution to these funds are made at the end of the year out of income if the year close off with a sufficient surplus.

### **6 Surpluses and deficits**

Any surpluses or deficits arising from the operation of the Electricity and Water services are transferred to Rate and General services.

### **7 Investments**

Investments are shown at cost and are invested in terms of the Code of Investment Practice. Investments are also made at registered banking institutions.

### **8 Income recognition**

#### **8.1 Electricity and Water billings**

All meters in Council's juridical area are read and billed monthly.

#### **8.2 Assessment Rates**

Assessment rates are levied on the total value of land and improvements.

Rebates were granted on State properties in terms of the Rating of State Property Act, (Act 79 of 1984).

Rebates were also granted to owners of property used for agricultural purposes.



## CAMDEBOO MUNICIPALITY

### BALANCE SHEET FOR THE YEAR ENDED AT 30/06/09

	NOTES	2009 R	2008 R
<b>CAPITAL EMPLOYED</b>			
<b>Funds and Reserves</b>		79,942,633	84,916,496
- Statutory funds	1	62,956,745	57,158,706
- Reserves	2	16,985,887	27,757,790
<b>RETAINED INCOME</b>		634,402	6,653,066
		80,577,035	91,569,562
<b>Trust funds</b>	3	939,067	1,261,266
<b>Long-term liabilities</b>	4	171,139	169,217
<b>Consumer deposits: Services</b>	5	1,144,708	1,098,410
		<b>82,831,949</b>	<b>94,098,455</b>
<b>EMPLOYMENT OF CAPITAL</b>			
<b>Fixed assets</b>	6	45,221,522	33,593,064
<b>Longterm debtors</b>	7	0	169,217
<b>Net current assets/(liabilities)</b>		37,610,427	60,336,174
<b>Current assets</b>		51,100,791	68,752,003
- Inventory	8	2,596,355	2,187,787
- Debtors	9	4,463,241	19,838,692
- Bank and Cash	10	9,643,382	5,540,204
- Short-term portion of Long-term debtors			1,922
- Short-term investments	11	34,397,813	41,183,398
<b>Current liabilities</b>		(13,490,364)	(8,415,829)
- Provisions	12	8,144,486	1,515,680
- Creditors	13	5,345,877	6,898,227
- Short-term portion of long-term liabilities			1,922
		<b>82,831,949</b>	<b>94,098,455</b>



**CAMDEBOO MUNICIPALITY  
INCOME STATEMENT FOR THE YEAR ENDED 30/06/08**

Actual Income 2008 R	Actual expenditure 2008 R	Surplus/ (deficit) 2008 R		Actual Income 2008 R	Actual expenditure 2008 R	Surplus/ (deficit) 2008 R	Budget Surplus/(deficit) 2008 R
40,362,888	37,081,847	3,281,041	<b>RATES AND GENERAL SERVICES</b>	42,533,144	49,902,475	(7,369,331)	(15,536,284)
33,366,113	26,851,705	6,514,408	<b>Community services</b>	35,012,996	35,713,839	(700,843)	(6,905,110)
203,475	3,533,109	(3,329,634)	<b>Subsidised services</b>	212,534	8,343,050	(8,130,516)	(9,928,862)
6,793,300	6,697,033	96,267	<b>Economic services</b>	7,307,614	5,845,586	1,462,028	1,297,688
1,385		1,385	<b>HOUSING SERVICES</b>	1,385		1,385	1,385
29,885,501	27,792,733	2,092,768	<b>TRADING SERVICES</b>	37,605,416	33,291,181	4,314,235	(3,181,948)
<u>70,249,774</u>	<u>64,874,580</u>	<u>5,375,194</u>	<b>TOTAL</b>	<u>80,139,945</u>	<u>83,193,656</u>	<u>(3,053,711)</u>	<u>(18,716,847)</u>
		<u>(4,437,278)</u>	Appropriations for the year			<u>(2,964,953)</u>	
		937,916	Nett surplus for the year			(6,018,664)	
		5,715,150	Accumulated surplus at the beginning of the year			6,653,066	
		<u>6,653,066</u>	<b>ACCUMULATED SURPLUS AT THE END OF THE YEAR</b>			<u>634,402</u>	
			(Refer to note 14)				



**CAMDEBOO MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30/06/09**

	NOTES	2009 R	2008 R
<b>CASH (UTILISED)/ RETAINED FROM OPERATING ACTIVITIES</b>			
		19,454,417	20,111,281
Cash generated by operations	15	(21,088,668)	(10,839,377)
Interest earned		6,347,216	5,786,055
(Increase)/decrease in working capital	16	(5,636,007)	(3,218,734)
Less: Interest paid: External Loans		-	(3,632)
Cash (utilised in)/available from operations		(20,377,458)	(8,275,688)
Cash contributions from the public and the state		39,831,875	28,386,969
Nett proceeds on disposal of fixed assets			
<b>CASH RECEIVED IN INVESTING ACTIVITIES</b>			
Capital expenditure during the year		(22,136,824)	(15,348,643)
<b>NET CASH FLOW</b>			
		<b>(2,682,407)</b>	<b>4,762,638</b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Increase/(decrease) in long-term loans (external)	17	-	(58,176)
(Increase)/decrease in cash investments	18	6,785,585	(627,478)
(Increase)/decrease in cash on hand	19	(4,103,178)	(4,076,984)
		<b>2,682,407</b>	<b>(4,762,638)</b>



**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>1 STATUTORY FUNDS</b>	62,956,745	57,158,706
	<b>62,956,745</b>	<b>57,158,706</b>
<i>(Refer to Appendix A for more details)</i>		
<b>2 RESERVES</b>	16,985,887	30,552,001
Less: Transferred to Provisions	-	2,794,211
	<b>16,985,887</b>	<b>27,757,790</b>
<i>(Refer to Appendix A for more details)</i>		
<i>(Reserves are not fully cash-backed by and amount of R 906 087)</i>		
<b>3 TRUST FUNDS</b>	939,067	1,261,266
	<b>939,067</b>	<b>1,261,266</b>
<i>(Refer to Appendix A for more details)</i>		
<b>4 LONG-TERM LIABILITIES</b>		
Annuity Loans	171,139	171,139
	<b>171,139</b>	<b>171,139</b>
Less: Short Term portion transferred to Current Liabilities		1,922
	<b>171,139</b>	<b>169,217</b>
<i>(Refer to Appendix B for more details)</i>		
<b>5 CONSUMER DEPOSITS: SERVICES</b>		
Electricity and Water	1,144,708	1,098,410
	<b>1,144,708</b>	<b>1,098,410</b>
<b>6 FIXED ASSETS</b>		
Fixed assets at the beginning of the year	146,561,209	131,212,566
Capital expenditure during the year	21,436,589	15,348,643
Less: Correction of prior period errors	700,235	
Less: Assets written off, transferred or disposed of during the year	-	-
<b>Total fixed assets</b>	<b>167,297,563</b>	<b>146,561,209</b>
Less: Loans redeemed and other capital receipts	122,076,041	112,968,145
<b>Nett fixed assets</b>	<b>45,221,522</b>	<b>33,593,064</b>



**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>7 LONG-TERM DEBTORS</b>		
Housing Loans	327,736	171,139
	327,736	171,139
Less: Provision for Doubtful Debts	327,736	
Less: Short-term portion transferred to current assets		1,922
	<b>0</b>	<b>169,217</b>
<b>8 INVENTORY</b>		
General	410,066	385,596
Electrical	1,807,554	2,013,420
Water	363,199	205,139
Mechanical Workshop	15,536	15,586
	2,596,355	2,619,741
Less: Obsolete stock transferred to reserves (Appendix A)	-	431,954
	<b>2,596,355</b>	<b>2,187,787</b>
<b>9 DEBTORS</b>		
Assesment Rates	8,518,860	7,907,991
Electricity & Water	8,373,252	6,642,589
Housing	5,449,282	4,784,345
Miscellaneous Debtors	751,129	924,331
Other	638,694	1,226,013
	23,731,218	21,485,269
Less: Provision for bad debts (Appendix A)	19,267,977	1,646,577
	<b>4,463,241</b>	<b>19,838,692</b>
The Working Capital Reserve was discontinued during the year and replaced with an increase in the Provision for bad debts.		
<b>10 BANK AND CASH</b>		
<i>Current Bank Account:</i>		
Cash book balance at beginning of the year	5,536,090	1,459,106
Cash book balance at the end of the year	9,639,180	5,536,090
<i>Plus: Cashfloats</i>	4,202	4,114
	<b>9,643,382</b>	<b>5,540,204</b>
<i>Bankstatement Balance at beginning of the year</i>	7,762,607	1,363,279
<i>Bankstatement Balance at the end of the year</i>	10,419,671	7,762,607
<i>Comprising of:</i>		
<i>First National Bank (Acc 52300007898)</i>		
Opening Balance	5,502,515	1,448,029
Closing Balance	9,617,077	5,502,515
<i>ABSA (Acc 4053048940)</i>		
Opening Balance	33,575	11,077
Closing Balance	22,103	33,575
<b>11 INVESTMENTS</b>		
Short term deposits	28,587,994	38,518,370
Call deposits	5,809,819	2,665,028
	<b>34,397,813</b>	<b>41,183,398</b>
Management's valuation of unlisted investments	34,397,813	41,183,398
No investments have been written off during the year		
No investment have been pledged as security for any funding facilities of the Council		



**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>12 PROVISIONS</b>		
Leave Pay Provision	2,030,703	715,680
Provision for Bonuses	997,783	
Provision for the rehabilitation of landfill sites	5,116,000	
Audit Fee Provision (Previous year shown as creditor)	-	800,000
	<b>8,144,486</b>	<b>1,515,680</b>
<b>13 CREDITORS</b>		
Trade Creditors	2,290,229	3,329,360
VAT	1,897,476	1,330,989
Housing	-	344,325
Consumers paid in advance	97,204	546,141
Other	1,060,968	1,347,412
	<b>5,345,877</b>	<b>6,898,227</b>
<b>14 APPROPRIATIONS</b>		
<b>Appropriation account:</b>		
Accumulated surplus at the beginning of the year	6,653,066	5,715,150
Operating (deficit)/surplus for the year	(3,053,711)	5,375,194
	<b>3,599,355</b>	<b>11,090,344</b>
Less: Appropriations for the year:	(2,964,953)	(4,437,278)
Working capital Debtors	(2,802,205)	(2,156,837)
Contr to Provision for Doubtful Debts	2,802,205	
Working Capital Stores reversed	2,619,741	(653,523)
Additional Provision for Audit Fees		(17,451)
Provision for Performance Bonusses		
Leave Fund	(193,652)	(304,744)
Contr to Provision for Leave Pay	193,652	
Contr to Provision for Leave Pay iro prior years	(1,674,846)	
Reversal of Provision for Audit Fees	800,000	
Contr to Accrued Bonuses iro prior years	(837,608)	
Contr to Provision for landfill site rehabilitation iro prior years	(4,868,400)	
Contr to operating account		(2,000,000)
VAT recovered i.r.o. previous years	(73,713)	1,356,028
Adjustments i.r.o. previous year	1,069,874	(660,751)
	<b>634,402</b>	<b>6,653,066</b>
Accumulated surplus at the end of the year		
<b>Operating account:</b>		
Capital expenditure - Fixed assets	-	55,358
<b>Contributions to:</b>		
- Equitable share		
- Leave reserve/Provsion for Leave pay	435,156	6,330
- Provision for accumulated bonuses	160,175	
- Revolving Fund	597,946	563,328
<b>Contributions from:</b>		
- Transport Fund		(500,000)
- Water stab Fund		(300,000)
- Sewerage		(100,000)
- Accumulated Surplus		(2,000,000)
	<b>1,193,277</b>	<b>(2,274,984)</b>



**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>15 CASH GENERATED BY OPERATIONS</b>		
Surplus for the year	(3,053,711)	5,375,194
- Prior Year Adjustments and other appropriations (note 14)	(2,964,953)	(4,437,278)
Appropriations charged against income	9,619,594	3,640,120
Leave reserve	193,652	311,074
Revolving fund	761,055	563,328
Provision for Audit Cost	(800,000)	800,000
Fixed assets	-	55,358
Transfers from reserves		(900,000)
Working capital transfers	2,825,592	2,810,360
Prior year adjustments	1,114,550	
Leave Pay Provisions	2,030,703	
Contribution Provision Land rehab	5,116,000	
Stores Write -off	(2,619,741)	
Accrued Bonus	997,783	
Capital Charges:	6,213,087	4,958,840
Interest paid to: Internal Funds	1,398,401	1,313,321
External loans		3,632
Redemption of: Internal loans	4,814,686	3,594,309
External loans		47,578
Investment income	(2,626,446)	(1,369,038)
Operating contr from Central and Prov. Govmnt	(20,661,208)	(17,569,673)
Non Operating Expenditure		
- Expenditure charged against funds	(7,668,805)	(2,126,365)
Non Operating Income		
- Income Credited to Funds	19,321,750	688,823
Transfer of Reserves Working capital	(19,267,977)	
	<b>(21,088,668)</b>	<b>(10,839,377)</b>
<b>16 (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/Decrease in inventory	(408,568)	(694,233)
(Increase)/Decrease in Long-term debtors	171,139	147,440
(Increase)/Decrease in Debtors	(3,892,526)	(2,282,224)
Increase/(Decrease) in Creditors, Consumers deposits	(1,506,052)	(389,717)
	<b>(5,636,007)</b>	<b>(3,218,734)</b>
<b>17 INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)</b>		
Loans raised		
Loans repaid	-	(58,176)
	-	<b>(58,176)</b>
<b>18 (INCREASE)/DECREASE IN CASH INVESTMENTS</b>		
Investments realised	6,785,585	
Investments made		(627,478)
	<b>6,785,585</b>	<b>(627,478)</b>



**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>19 (INCREASE)/DECREASE IN CASH ON HAND</b>		
Cash balance at the beginning of the year	5,540,204	1,459,106
Less: Cash balance at the end of the year	9,643,382	5,536,090
	<b>(4,103,178)</b>	<b>(4,076,984)</b>
<b>20 PROPERTY RATES</b>		
Rateable valuation of land and improvements :		
Land: R 71 243 139		
Improvements: R 583 195 331		
Date of last General Valuation: 1 Nov 2003		
Actual Rateable Income	<b>8,535,300</b>	<b>7,972,614</b>
<b>21 REMUNERATIONS</b>		
<b>21.1 Council</b>		
<b>Mayor's allowance</b>	277,097	249,629
Allowance	265,128	
Cell phone allowance	9,972	
UIF contribution	1,997	
<b>Councillor's allowance</b>	1,799,600	1,402,410
Allowances	1,325,556	
Travel allowances	127,492	
Cell phone allowances	99,720	
UIF, medical aid and pension contributions	246,832	
Councillor's Total Allowances	<b>2,076,697</b>	<b>1,652,039</b>
<b>21.2 Municipal Manager</b>	677,431	587,508
Salary	499,795	
Allowances	87,380	
Contributions to UIF, Medical Aid and Pension Fund	90,256	
<b>21.3 Chief Finance Officer</b>	408,682	529,625
Salary	311,259	
Allowances	96,300	
Contributions to UIF, Medical Aid and Pension Fund	1,123	
<b>21.4 Director: Corporate Services</b>	408,682	
Salary	297,802	
Allowances	66,300	
Contributions to UIF, Medical Aid and Pension Fund	44,580	
<b>21.3 Director: Infrastructure</b>	408,682	
Salary	278,743	
Allowances	62,109	
Contributions to UIF, Medical Aid and Pension Fund	67,830	
	<b>3,806,954</b>	<b>1,117,133</b>
<b>22 FINANCE TRANSACTIONS</b>		
Total external interest earned or paid		
- Interest earned	2,626,446	5,786,055
- Interest paid: External loans	-	3,632
Capital charges debited to operating account:		
<b>Interest:</b>		
- External		3,632
- Internal	1,398,401	1,313,321
<b>Redemption:</b>		
- External	-	47,578
- Internal	4,814,686	3,594,309
	<b>6,213,087</b>	<b>4,958,840</b>



**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>23 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
Building Society - bond quarentees		
Alleged claim based on incorrect transformers supplied and other insurance claims against Council	350,000	140,528
<b>24 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure	700,235	38,684,426
This expenditure will be funded financed from:-		
- Internal Sources	700,235	25,593,497
- External Sources	-	13,090,929
Other sources		
Government Grants		13,090,929
	<b>700,235</b>	<b>38,684,426</b>
<b>25 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
<i>Reconciliation of unauthorised expenditure</i>		
Opening balance		
Unauthorised expenditure current year		
Approved by Council or condoned		
Unauthorised expenditure awaiting authorising	-	-
<i>Reconciliation of wastefull expenditure</i>		
Opening balance		
Fruitless and wastefull expenditure current year		
Approved by Council or condoned		
Fruitless and wastefull expenditurre awaiting condonement	-	-
<i>Reconciliation of irregular expenditure</i>		
Opening balance	1,887,838	-
Irregular expenditure current year	242,839	1,887,838
Approved by Council or condoned		
Irregular expenditurre awaiting condonement	<b>2,130,677</b>	<b>1,887,838</b>
<b>26 EMPLOYEE RELATED COST</b>		
Salaries	17,189,479	12,637,641
Wages	8,426,801	7,629,312
Overtime	1,188,778	1,307,361
Group Insurance	418,029	439,262
Housing subsidy	101,627	76,638
Medical Aid Fund	1,644,571	1,377,608
Pension Fund	4,265,745	3,098,526
Travelling allowance	488,952	275,779
Unemployment Insurance Fund	225,615	199,068
Uniforms & Overalls	136,723	104,987
<b>Total</b>	<b>34,086,320</b>	<b>27,146,182</b>



**CAMDEBOO MUNICIPALITY****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>27 REVOLVING FUND</b>		
Accumulated Funds	54,198,510	50,147,420
Creditors	22,908	22,908
	<b>54,221,418</b>	<b>50,170,328</b>
Less: External Investments	7,928,875	19,524,731
External loans to institutions		
Staff vehicle loans		
Advances to borrowing Services	45,159,154	35,695,972
Temporary advance from(to) Rate Fund	<b>1,133,389</b>	<b>(5,050,375)</b>
<b>28 ADDITIONAL DISCLOSURES IN TERMS OF MFMA</b>		
<b>28.1 Contribution to SALGA</b>		
Opening Balance		
Council subscription	146,275	109,774
Amount paid current year	(146,275)	(109,774)
Amount paid previous year		
Balance unpaid (included in Creditors)	<b>-</b>	<b>-</b>
<b>28.2 Audit Fees</b>		
Opening Balance	800,000	1,071,554
Current year audit fee		800,000
Amount paid current year		-
Amount paid i.r.o. previous year	(699,172)	(1,071,554)
Total Audit fees outstanding (included in provisions)	<b>100,828</b>	<b>800,000</b>
<b>28.3 PAYE and UIF</b>		
Opening Balance		
Current year payroll deductions	2,736,539	2,288,677
Amount paid current year	(2,736,539)	(2,288,677)
Amount paid i.r.o. previous year		
Balance unpaid (included in Creditors)	<b>-</b>	<b>-</b>
<b>28.4 Pension and Medical aid</b>		
Opening Balance		
Current year payroll deductions	8,197,310	6,483,858
Amount paid current year	(8,197,310)	(6,483,858)
Amount paid i.r.o. previous year		
Balance unpaid (included in Creditors)	<b>-</b>	<b>-</b>

**CAMDEBOO MUNICIPALITY****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

	2009 R	2008 R
<b>28.5 Councillors arrear consumer accounts</b>		
The following Councillors had arrear accounts for more than 90 days		
<b>Rates &amp; services</b>		
Clr K Hoffman		1,221
Clr I Reid	493	564
	<b>493</b>	<b>1,785</b>
<b>Overpayment of allowances</b>		
Clr T Eksteen	8,265	14,535
Clr J Jacobs	11,520	19,920
Clr D Japha	11,500	25,471
Clr A Knott-Craig	11,334	18,135
	<b>42,619</b>	<b>78,061</b>



29 **Disclosures on intergovernmental aid and other allocations  
as required by Section 123 of the Municipal Finance and Management Act (No. 56 of 2003)**

Equitable Share allocation received (DORA)	18,024,839
Department of Health allocation clinics and environmental health	2,636,369

**Department of Minerals and Energy**

Grant received for the upgrade of the main substation	
Received during the year	4,700,000
Capital expenditure incurred during the year	497,254

**Department of Housing**

Grant received for town planning projects	
Received during the year	254,850
Operating expenditure incurred during the year	10,668

**Cacadu District Municipality**

Grant received re the Integrated Development Plan	
Received during the year	57,000
Operating expenditure incurred during the year	57,000

**National Treasury**

Grant received re Financial Management	
Received during the year	1,750,000
Capital expenditure incurred during the year	718,183
Operating expenditure incurred during the year	484,575

**European Union and Cacadu Municipality**

Grant received re LED	
Received during the year	414,442
Operating expenditure incurred during the year	414,442

**Department of Local Government**

Grant received re Valuations	
Received during the year	445,000
Operating expenditure incurred during the year	445,000

**Department of Local Government**

Vuna Awards Special Receipt	
Received during the year	600,000
Capital expenditure incurred during the year	119,333
Operating expenditure incurred during the year	281,517

**Department of Local Government**

Grant received re Comprehensive Infrastructure	
Received during the year	200,000
Operating expenditure incurred during the year	32,581

**Department of Local Government**

Grant received re Ward Participation Scheme	
Received during the year	90,000
Operating expenditure incurred during the year	80,811

**CAMDEBOO MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09**

**Department of Local Government**

Grant received re Roads and Stormwater	
Received during the year	4,263,254
Capital expenditure incurred during the year	2,915,623

The Municipality has complied with the requirements of the grants

- 30 The Camdeboo Municipality did not have any municipal entities under the sole or shared control of the municipality



**CAMDEBOO MUNICIPALITY**

**APPENDIX A**

**STATUTORY FUNDS, RESERVES AND TRUST FUNDS FOR THE YEAR ENDED 30/06/09**

	Balance at 30/06/2008 R	Contr for the year R	Interest received R	Other income & transfers R	Operating expenditure during year R	Capital expenditure during year R	Balance at 30/06/2009 R
<b>STATUTORY FUNDS</b>							
Dog Tax Account	613,076		55,676		18,000		650,752
Housing Development fund	4,515,761		524,520	2,886	2,749,871		2,293,296
Insurance Fund	1,666,146		184,420	4,019,216	292,747		5,577,035
Parking Area Dev. Fund	216,303		19,769	1,080			237,152
Revolving Fund	50,147,420	761,055	3,308,682		18,647		54,198,510
	<b>57,158,706</b>	<b>761,055</b>	<b>4,093,067</b>	<b>4,023,182</b>	<b>3,079,265</b>	<b>0</b>	<b>62,956,745</b>
<b>RESERVES</b>							
Accumulated Leave	1,789,199	79,299	146,053		331,571		1,682,980
Fire Brigade	1,703,437		189,701				1,893,138
Machinery & Office	386,739		43,843				430,582
Municipal Buildings	188,566		21,377				209,943
Special Fund Eastern Cape	5,950,636		383,658	8,711,292	3,159,115	2,315,861	9,570,610
Tariff Stab Sew & San	275,074		25,144				300,218
Tariff Stabilization Electricity	214,445		19,600				234,045
Tariff Stabilization Water	285,193		26,074				311,267
Traffic Control	63,856		5,805				69,661
Transitional Local Grant	464,779						464,779
Transport	144,564		16,400				160,964
Unspent grants*			33,562	6,436,193	661,767	4,150,288	1,657,701
Working Capital - Debtors**	16,465,772	2,802,205		-19,267,977			0
Working Capital - Stores**	2,619,741	23,387		-2,643,128			-0
	<b>30,552,001</b>	<b>2,904,891</b>	<b>911,216</b>	<b>-6,763,620</b>	<b>4,152,452</b>	<b>6,466,149</b>	<b>16,985,887</b>
<b>Less transferred to provisions</b>							
Leave Pay (Note 12)	715,680			-715,680			0
Obsolete Stock (Note 8)	431,954			-431,954			0
Bad debts (Note 9)	1,646,577			-1,646,577			0
Grandtotal	<b>27,757,790</b>	<b>2,904,891</b>	<b>911,216</b>	<b>-3,969,409</b>	<b>4,152,452</b>	<b>6,466,149</b>	<b>16,985,887</b>
<b>TRUST FUNDS</b>							
Aloe Project	850,799		77,341		437,087		491,053
Alex Laing Play grounds	309,979		28,331				338,310
Graaff-Reinet Cemetery	16,023		1,476				17,499
Laing Hall Furnisher	20,467		1,871				22,338
Mary Lane Park	50,072		4,608				54,680
R Church Cemetery	13,926		1,261				15,187
	<b>1,261,266</b>	<b>0</b>	<b>114,888</b>	<b>0</b>	<b>437,087</b>	<b>0</b>	<b>939,067</b>

\* Unspent grants - previously capitalised when received and immediately expensed, the opening balance had been included in the Loans Redeemed and Capital Receipts amounting to R 2172939

\*\* Non-cash backed Reserve transferred to Accumulated Surplus



**CAMDEBOO MUNICIPALITY**

**APPENDIX B**

**EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30/06/09**

	Balance at 30/06/2008 R	Received during the year R	Redeemed or written off during the year R	Balance at 30/06/2009 R
<b>EXTERNAL LOANS</b>				
Annuity Loans	171,139			171,139
	<b>171,139</b>	<b>0</b>	<b>0</b>	<b>171,139</b>

<b>INTERNAL ADVANCES TO BORROWING SERVICES</b>				
	Balance at 30/06/2008 R	Received during the year R	Redeemed or written off during the year R	Balance at 30/06/2009 R
Revolving Fund	35,695,972	14,270,202	4,807,020	45,159,154
Housing Development Fund	70,032		7,665	62,367
	<b>35,766,004</b>	<b>14,270,202</b>	<b>4,814,684</b>	<b>45,221,522</b>



**CAMDEBOO MUNICIPALITY**  
**APPENDIX C**  
**ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30/06/09**

Expenditure 2008 R		Budget 2009 R	Balance at 30/06/2008 R	Expenditure during the year R	Correction of prior period error R	Written off transferred redeemed or disposed R	Balance at 30/06/2009 R
<b>8,692,446</b>	<b>RATES AND GENERAL SERVICES</b>	<b>12,222,000</b>	<b>88,175,115</b>	<b>15,002,803</b>	<b>(700,235)</b>	<b>-</b>	<b>102,477,683</b>
1,831,497	Land and buildings	5,281,000	15,529,544	297,393	(700,235)		15,126,703
4,261,150	Street and Bridges	4,378,000	19,596,377	6,623,090			26,219,467
759,057	Furniture & equipment	988,000	4,721,515	3,154,528			7,876,043
539,104	Sewerage	125,000	31,567,940	2,387,607			33,955,547
1,301,638	Motor Vehicles	1,350,000	16,037,424	2,024,439			18,061,863
	Tools	100,000	722,315	515,746			1,238,061
-	<b>HOUSING</b>	-	<b>4,078,979</b>	-			<b>4,078,979</b>
<b>6,656,197</b>	<b>TRADING SERVICES</b>	<b>8,655,000</b>	<b>54,307,115</b>	<b>6,433,786</b>		-	<b>60,740,901</b>
	Concrete Works		1,794				1,794
3,363,359	Electricity	5,160,000	23,170,957	4,745,918			27,916,875
3,292,838	Waterworks	3,495,000	31,134,364	1,687,868			32,822,232
<b>15,348,643</b>	<b>TOTAL FIXED ASSETS</b>	<b>20,877,000</b>	<b>146,561,209</b>	<b>21,436,589</b>	<b>(700,235)</b>	<b>-</b>	<b>167,297,563</b>
<b>10,778,312</b>	<b>LESS: CAPITAL REDEEMED AND OTHER CAPITAL RECEIPTS</b>		<b>112,968,145</b>	<b>11,280,835</b>	<b>0</b>	<b>2,172,939</b>	<b>122,076,041</b>
3,720,670	Loans redeemed and advances paid		14,240,712	4,814,686			19,055,398
55,358	Contribution ex operating income		28,620,182	0			28,620,182
7,002,284	Grants and subsidies		70,107,251	6,466,149		2,172,939	74,400,461
<b>4,570,331</b>	<b>NET FIXED ASSETS</b>	<b>20,877,000</b>	<b>33,593,064</b>	<b>10,155,754</b>	<b>-700,235</b>	<b>-2,172,939</b>	<b>45,221,522</b>



**CAMDEBOO MUNICIPALITY****APPENDIX D****ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30/06/08**

Actual 2008 R		Actual 2009 R	Budget 2009 R
<b>INCOME</b>			
17,569,673	Government - Grants & Subsidies	20,661,208	17,323,000
51,311,063	Operating income	56,852,290	53,242,287
7,972,614	- Assessment Rates	8,535,300	10,175,515
21,517,362	- Sale of Electricity	28,256,146	23,488,865
7,583,427	- Sale of Water	9,291,254	8,202,074
14,237,660	- Other service charges	10,769,590	11,375,833
1,369,038	- Interest Received	2,626,446	2,089,514
<b>70,249,774</b>		<b>80,139,945</b>	<b>72,654,801</b>
<b>EXPENDITURE</b>			
27,146,182	Salaries,wages and allowances	34,488,000	39,945,527
35,594,581	General expenses	35,888,750	38,551,560
11,801,478	-Purchase of electricity	16,675,022	18,519,727
23,793,103	- Other General Expenditure	19,213,728	20,031,833
2,027,640	Repairs and maintenance	2,762,416	3,786,364
4,958,840	Capital charges	6,213,087	9,088,197
55,358	Contributions to fixed assets		
	Contributions to Provisions	3,243,457	
569,658	Contributions to other funds	597,946	
<b>70,352,259</b>	<b>Gross Expenditure</b>	<b>83,193,656</b>	<b>91,371,648</b>
5,477,679	Less: Amounts charged out***		
<b>64,874,580</b>	<b>Net Expenditure</b>	<b>83,193,656</b>	<b>91,371,648</b>

\*\*\* The accounting policy regarding internal charges had been amended



**APPENDIX E**  
**CAMDEBOO MUNICIPALITY**  
**DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30/06/09**

Actual Income	Actual expenditure	Surplus/ (deficit)		Actual Income	Actual expenditure	Surplus/ (deficit)	Budget Surplus/ (Deficit)
2008 R	2008 R	2008 R		2009 R	2009 R	2009 R	2009 R
40,362,888	37,081,847	3,281,041	<b>RATES AND GENERAL SERVICES</b>	42,533,144	49,902,475	(7,369,331)	(15,536,284)
33,366,113	26,851,705	6,514,408	<b>Community services</b>	35,012,996	35,713,839	(700,843)	(6,905,110)
7,972,614	563,328	7,409,286	Assessment rates	8,535,300	597,946	7,937,354	10,175,515
295,465	2,806,408	(2,510,943)	Admin Town Clerk	121,206	5,180,752	(5,059,546)	(5,483,279)
	100,221	(100,221)	Civil Defence	-	111,265	(111,265)	(111,743)
7,207	1,981,802	(1,974,595)	Council's General Expenses	13,853	3,282,151	(3,268,298)	(3,413,097)
	17,364	(17,364)	Grants and Donations	-	109,731	(109,731)	(115,000)
3,201,570	3,538,693	(337,123)	Health Services	2,643,060	3,807,439	(1,164,379)	(4,926,267)
	78,130	(78,130)	Hester Rupert Art Mus.	-	75,184	(75,184)	(111,649)
15,923	1,146,749	(1,130,826)	Libraries	18,162	1,238,977	(1,220,815)	(1,413,732)
39,311	8,038,707	(7,999,396)	Public Works	62,374	6,932,937	(6,870,563)	(8,498,327)
-	42,974	(42,974)	Swimming Baths	-	34,423	(34,423)	(45,524)
47,731	698,001	(650,270)	Town Engineer	42,878	1,201,326	(1,158,448)	(1,741,728)
20,081,897	6,768,357	13,313,540	Town Treasurer	21,642,633	11,596,842	10,045,791	8,595,122
1,704,395	1,070,971	633,424	Traffic Control	1,933,530	1,544,866	388,664	184,599
203,475	3,533,109	(3,329,634)	<b>Subsidised services</b>	212,534	8,343,050	(8,130,516)	(9,928,862)
1,110	452,692	(451,582)	Fire Protection	3,381	509,263	(505,882)	(555,546)
59,842	400,866	(341,024)	Airport	45,133	475,063	(429,930)	(522,136)
138,548	532,089	(393,541)	Municipal buildings	160,228	1,128,854	(968,626)	(1,202,296)
3,975	1,828,135	(1,824,160)	Parks and Recreation grounds	3,792	5,617,493	(5,613,701)	(6,873,098)
-	-	-	Proclaimed Roads	-	-	-	-
-	319,327	(319,327)	Workshops	-	612,377	(612,377)	(775,786)
6,793,300	6,697,033	96,267	<b>Economic services</b>	7,307,614	5,845,586	1,462,028	1,297,688
2,166,163	2,630,634	(464,471)	Cleansing Services	2,302,949	3,033,984	(731,035)	(751,283)
96,318	87,893	8,425	Commonage & Pound	119,618	90,169	29,449	(32,376)
10,698	99,113	(88,415)	Parking Meters	8,999	109,673	(100,674)	(99,036)
737,428	1,077,379	(339,951)	Sanitation	753,651	249	753,402	800,771
3,722,693	2,770,299	952,394	Sewerage Scheme	4,062,397	2,585,818	1,476,579	1,353,188
60,000	31,715	28,285	Urquhart Park	60,000	25,693	34,307	26,424
1,385		1,385	<b>HOUSING SERVICES</b>	1,385		1,385	1,385
			Sub Econ. Houses				
29,885,501	27,792,733	2,092,768	<b>TRADING SERVICES</b>	37,605,416	33,291,181	4,314,235	(3,181,948)
103,575	160,086	(56,511)	Concrete Works	58,016	193,023	(135,007)	(86,450)
22,127,048	23,035,578	(908,530)	Electricity	28,256,146	27,169,041	1,087,105	(5,076,882)
7,654,878	4,597,069	3,057,809	Water	9,291,254	5,929,117	3,362,137	1,981,384
<b>70,249,774</b>	<b>64,874,580</b>	<b>5,375,194</b>	<b>TOTAL</b>	<b>80,139,945</b>	<b>83,193,656</b>	<b>(3,053,711)</b>	<b>(18,716,847)</b>
		(4,437,278)	Appropriations for the year (refer to note 14)			(2,964,953)	
		937,916	Nett surplus for the year			(6,018,664)	
		5,715,150	Accumulated surplus at the beginning of the year			6,653,066	
		<b>6,653,066</b>	<b>ACCUMULATED SURPLUS AT THE END OF THE YEAR</b>			<b>634,402</b>	



**CAMDEBOO MUNICIPALITY**  
**APPENDIX F**  
**STATISTICAL INFORMATION FOR THE YEAR ENDED 30/06/09**

	<u>2009</u>	<u>2008</u>
<b>a) General statistics</b>		
- Population	45000	45000
- Number of registered Voters	22290	29000
- Area km 2	100	100
Building Survey		
- number of building plans passed	70	102
- total value of building plans passed	R 14,178,354	R 10,083,333
Parks and recreation		
- number of developed parks	10	10
- number of swimming pools	2	3
- number of sport fields and tennis courts	24	24
Total valuations		
- taxable ( R million )	654	654
- non taxable ( R million )	56	56
Valuation date	01.11.03	01.11.03
Assessment rate		
- basic ( cent in the Rand )		1.34
- discount Government	20%	20%
- discount Agricultural	30%	30%
Licences issued - vehicle registrations	6446	8683
Libraries - books issued	79364	85367
Number of employees of Municipality	315	286
Electricity Statistics		
kWh		
i. Number of users ( residential and commercial)	6893	6857
ii. Units bought ( '000 )	63478	61475
iii. Units sold ( '000 )	55834	54007
iv. Units lost in distribution ( ii – iii )	7643	7468
v. Percentage lost in distribution	12%	12.15
vi. Cost per unit bought (cent)	26.27	19.37
vii. Loss in distribution ( iv x vi ) (Rand)	2,007,893	1,446,551
viii. Cost per unit sold (cent)	44.54	42.64
ix. Income per unit sold (cent)	50.61	40.97
Water Statistics		
Number of users ( residential and commercial )	9150	9122
Kl sold ( '000 )	2600	2148
Kl lost in distribution ( '000 )	256	379
Percentage lost in Distribution	10%	15
Refuse Removals		
Kilometres travelled	42348	41750
Refuse removed ( cubic metre )	67767	72614
Sewerage		
Sewerage water purified ( Mega litres )	920	1152
Sanitation removal ( litres )	9600	11370



## 4.2 BUDGET TO ACTUAL COMPARISON

### INCOME

The actual total income for the year was 10.3% more than the budgeted income of R72,7m for operations. This is mainly due to increased revenue from the following sources:

Government grants and subsidies - 19.3%

Sale of electricity - 20.3%

Sale of water - 13.2%

Interest received - 25.7%

### EXPENDITURE

Total actual operational expenditure amounted to 91% of the budget. This is mainly due to savings on salaries, wages and allowances which was 13.6% below budget because of budgeted posts not filled or not filled from the beginning of the financial year.

### CAPITAL EXPENDITURE

The capital budget overspent by 2.7% due to price increases that could not be foreseen during the budget process.

## 4.3 GRANTS AND TRANSFERS' SPENDING

The information in the table below is based on what is available in the financial system:

PROJECT NAME	OPENING BAL	REC	SPENT	INTEREST
Information Technology	-300 000.00		289 504.39	
Nieu Bethesda Land Survey	-100 000.00			
WSBP Implementation	-785 356.00		691 586.50	
Upgrade Main Substation	0.00	-4 700 000.00	497 253.97	
Provision of Illegal Squatting	-30 098.04			-3 747.91
Town Planning Projects	-84 923.04	-254 850.00	10 668.00	-33 600.39
Town Registers	-20 639.03			-2 570.04
Preparation Framework Plan	-79 679.25			-9 921.93
Prep Zoning Scheme	-3 567.27			-444.21
Geotechnical Survey	-6 612.12			-823.36
IDP	-73 310.91	-57 000.00	71 710.28	-10 353.63
IDP 2	-228 525.46			-28 456.74
PROJECT NAME	OPENING BAL	REC	SPENT	INTEREST
GRT Zoning Scheme	-250 330.97		55 800.00	-24 223.63
Mandela Park Settlement Plan	-199 872.52			-24 888.79
IDP Nieu Bethesda	-20 470.89			-2 549.12
Implementation of Free Basic Service	-2 592.35			-322.80
Spatial Development Framework	2 998.08			
Survey 177 sites Kroonvale	-113 360.92			-14 116.08
Aberdeen Cemetary	-67 747.06			-8 436.10
Capacity Building Grant	-31 968.47		31 968.47	
National Treasury FMG	-1 143 216.11	-1 750 000.00	1 202 757.48	
Brick Making LED Project	-9 954.72			-1 239.60
Drought Relief	-273 260.69		6 057.50	-33 273.02
Asses Water Serv Authority	-113 922.19			-14 185.96
LED EU Thina Si	-609 279.27	-414 441.90	994 424.34	-38 017.94
Valuations	-742 168.54	-445 000.00	994 302.57	



Vuna Awards	-592 828.02		400 850.87	-108 395.26
Cleanest Town Award	-69 950.50		69 142.54	-1 754.12
Comprehens Infrastructure	0.00	-200 000.00	32 581.25	-22 336.87
Fixed Assets Register	0.00	-200 000.00	45 556.19	
Ward Participation	0.00	-90 000.00	80 811.58	
Aids Project 2000	-7 634.70		1 700.00	
Mandela Park Electrification	72 288.03			
Asherville Housing Phase 2	-241 028.78			
Geluksdal Housing Phase 2	12 994.46			
Klipfontein Farm	-24 800.00			
Mimosadale Farm	-18 600.00			
Mimosadale Farm 4 connections	16 636.30			
Themba Abd	-59 100.26			
Kroonvale Bulk	-119 732.12			
Upgr Bulk Reticulat Kvale	-219 973.36		189 111.65	
Elec 40 infix Aberdeen	-114 390.39		60 186.22	
Refurb/upgr Power lines Aberd	-133 710.03		58 290.41	
Electrification Mandela Park E	340 604.04			
Electrification Kendrew	-30 000.00			
Neui B Waterborne Sani	-46 440.17			
Electrification Mandela Park R	-345 986.56			
Rehab Highmast Themba Abrdn	-14 232.91			
PROJECT NAME	OPENING BAL	REC	SPENT	INTEREST
Geluksdal	0.00			
Mandela Park	-88 494.78		9 915.10	-6 161.14
Aberdeen Themba	-16 443.79			-6 900.00
Eunice Kekana	0.00			-20 500.40
Ext Filter Works	997 255.73		55 552.59	
Aberd Settle Sewerage Expend	259 077.14			
Nieu Bethesda waterborn Sanitation	-898 876.45			
Project Management Unit	-108 809.52			
Water Advance	1 219 663.99			
Road & SW Umazizake	-282 210.24			
PMU Roads & Stormwater	-2 217 805.27	-4 637 338.00	3 148 452.57	
MIG Water Treatm	0.00		1 131 279.67	
600 Houses Aberdeen	-146 149.45	97 700.43	157 566.12	
Electrification 374	-53 661.22			
Rehabilitation Str Lights	-31 594.64			
<b>Total</b>	<b>-8 251 791.21</b>	<b>-12 650 929.47</b>	<b>10 287 030.26</b>	<b>-417 219.04</b>

#### 4.4 MEETING DONOR'S REQUIREMENTS IN RESPECT OF CONDITIONAL GRANTS





**TREASURY  
PERSONNEL**

**KROONVALE  
CASHIER  
OFFICE**



All material donor requirements have been met with regard to conditional grants received from the national treasury and provincial government. Slow spending of the Finance Management Grant and the Municipal Systems Improvement Grant resulted in National Treasury demanding that the unspent balances be paid back on 30 June 2009. Most of these amounts related to prior years, as shown in the table below.

However, the municipality was able to show that most of the funds were committed to projects like the general valuation, asset register and GRAP conversion. In the end the municipality had to pay back an amount of R342,000 which remained unspent.

#### **4.5 LONG TERM CONTRACTS ENTERED INTO BY THE MUNICIPALITY**

- Botanical Sportsgrounds;
- John Rupert Theatre; and
- Aloe project.

#### **4.6 ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN FINANCIAL VIABILITY**

Indicator Name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
Percentage expenditure of capital budget	R 20 877	R 21 436	102%



	Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
Salary budget as a percentage of the total operational budget	44%	41%	-3%
	Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
Total actual trade creditors as a percentage of total actual revenue	7.00%	6.67%	
	Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
Total municipal own revenue as a percentage of the total actual budget	76%	74%	
	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
Rate of municipal consumer debt reduction	—	(Increase) R 2246	10.41% (increase)
Percentage of MIG budget appropriately spent	100%	R 1 449 461	100%
Percentage of MSIG budget appropriately spent	100%	R 356 498	100%

#### 4.7 THE AUDIT COMMITTEE FUNCTIONALITY

The audit committee is fully functional and provides an advisory service to the cluster of Camdeboo, Blue Crane and Ikwezi municipalities. Meetings rotated among the three centres and took place as per the requirement of four meetings per year, namely:

25 July 2008	-	Graaff-Reinet
31 October 2008	-	Somerset-East
20 February 2009	-	Jansenville
29 May 2009.	-	Graaff-Reinet

The contracts of the individuals serving on the committee came to an end on 30 June 2009. An advice was received from Cacadu District Municipality that their contracts be extended until 31st December 2010, and that the Recruitment process to take place during the second semester of 2010.

#### 4.8 ARREARS IN PROPERTY RATES AND SERVICE CHARGES

Amounts in arrears for property rates and service charges grew by 11% from R19.8m to R22.1m during the financial year.

#### 4.9 ANTI-CORRUPTION STRATEGY

The fraud prevention plan has been developed and adopted by Council on June 2009. Because it was so late in the financial year, not much have been done to raise awareness among staff members during the period under review. The prevention of fraud is also supported by other risk management strategies. The discovery of fraud in the municipality is a standing item on the agenda of the Audit Committee. No fraud cases were uncovered or reported during the period under review.